

PRESS RELEASE

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DUVALL RECEIVES HIGH GRADE OF “AA”

The City of Duvall is in the process refinancing Water & Sewer Revenue Bonds for interest cost savings. As part of the process for preparing the bond sale, the City decided to pursue an “underlying bond rating grade” from the national rating agency of Standard & Poor’s.

The City was recently notified that the underlying bond rating grade is “AA” from Standard & Poor’s. “This is better than we expected”, according to Mayor Will Ibershof “This bond rating grade reflects that City of Duvall is very well-managed and has strong financial practices and policies in place for the benefit of our ratepayers”.

According to Steve Leniszewski, Public Works Director, “the City received the bond rating grade of “AA” based on the following factors: 1. Strong financial practices and policies; 2. Strength of the local economy; 3. Strong Debt Service Coverage and reserves; 4. Small amount of outstanding debt; and 5. Experienced management in operating the City in an efficient manner.”

“We understand that this is quite an accomplishment for a System of our size to achieve such a high rating grade of “AA” according to Finance Director Jill Long. The AA is the third highest rating grade in the Standard & Poor’s multi-tier grading system, which signifies to investors that there is very low risk of default on the Bonds. The higher the rating grade then the lower the interest cost. The Refinancing Bond will achieve a Total **Net Savings of \$200,000**, which is an annual savings of \$25,000 per year for the remaining 8 years.

The City’s staff of Steve Leniszewski (Public Works Director), Jill Long (Finance Director), Lara Thomas (Planning Manager), along with Jim Nelson (Bond Underwriter for Martin Nelson & Company) participated in a conference call with Standard & Poor’s, which dealt with the topics of management, finances, local economy, policies, and long-term planning.

The Water & Sewer Revenue Refunding Bonds will be underwritten by Martin Nelson & Company, a Washington investment banking firm, based in Seattle.